



**CITY OF LODI
COUNCIL COMMUNICATION**

AGENDA TITLE: Adopt Resolution Authorizing the City Manager to Submit an Application with Eden Housing Inc. to the State of California Department of Housing and Community Development for HOME Investment Partnerships Program Funding; and if Selected, the Execution of a Standard Agreement, any Amendments Thereto, and of any Related Documents Necessary to Participate in the HOME Investment Partnerships Program

MEETING DATE: August 1, 2012

PREPARED BY: Community Development Department

RECOMMENDED ACTION: Adopt resolution authorizing the City Manager to submit an application with Eden Housing Inc. to the State of California Department of Housing and Community Development (HCD) for HOME Investment Partnerships Program funding; and if selected, the execution of a Standard Agreement, any amendments thereto, and of any related documents necessary to participate in the HOME Investment Partnerships Program.

BACKGROUND INFORMATION: The City of Lodi has been working with Eden Housing, Inc., and its affiliate, Eden Development, Inc., toward the development of an affordable senior housing project in Lodi, at 2245 Tienda Drive.

As noted during previous presentations to the City Council leading to the selection of the developer for this project, Eden Housing has more than 40 years' experience in the development and management of affordable housing projects. Eden has assisted with the submission of HOME applications for this project in 2009, 2010 and 2011. The project has scored higher every year that we have applied, but the cutoff funding scores have also increased each year, which demonstrates just how competitive these funding programs are. In 2009, 2010 and 2011, the cutoff scores were 1374, 1428 and 1492 respectively. Our corresponding scores for those years were 1270, 1412 and 1415.

In the 2012 Notice of Funding Availability (NOFA) from HCD, there have been some changes in the scoring matrix, as well as proposed changes in both HUD and HCD regulations that could very well have an impact on our ability to score competitively this year. However, the most drastic change is in the fact that HOME funding for 2012 was cut 45 percent from 2011.

Other changes in the realm of affordable housing financing have affected Eden's strategy for funding this project. With the recent dissolution of redevelopment agencies and the resulting legal uncertainty surrounding many of those projects and lack of an ongoing funding source, Eden believes that the 9% Low-Income Housing Tax Credit is a more viable option to fund this project than in previous years and they will be applying accordingly in March of 2013.

APPROVED:

Konradt Bartlam, City Manager

Eden is in the process of completing the prerequisite work for the 2012 HOME application packet. Once approved, the authorizing resolution will be included in that packet. Once all supporting documentation has been compiled and incorporated into the application document, it will be submitted to HCD prior to the August 17, 2012 deadline.

The maximum grant amount for HOME Project funds through HCD is \$2 million. In addition to the project funding, HCD allows State recipient agencies to request up to \$100,000 for program administration and project delivery costs. This is an amount above and beyond the requested project funding amount and is intended to cover our costs in administering the project funds and specific project delivery costs. This increases the maximum grant available to \$2.1 million.

While Eden has determined that the City should request \$1 million in State HOME funds for the project, and another \$75,000 for the program administration and project delivery, it is a standard practice and recommended by HCD that the adopted resolution provide for funding up to the maximum grant amount available, which in this case is the \$2.1 million.

FISCAL IMPACT: The City will assume responsibility for administering these funds and has accordingly requested additional program administration and project delivery funding in this application to cover those costs.

FUNDING AVAILABLE: HOME Program funding through State Housing and Community Development



Konradt Bartlam
Community Development Director

KB/jw

RESOLUTION NO. 2012-120

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING THE CITY MANAGER TO SUBMIT AN APPLICATION WITH EDEN HOUSING, INC. TO THE STATE OF CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FOR HOME INVESTMENT PARTNERSHIPS PROGRAM FUNDING; AND IF SELECTED, THE EXECUTION OF A STANDARD AGREEMENT, ANY AMENDMENTS THERETO, AND ANY RELATED DOCUMENTS NECESSARY TO PARTICIPATE IN THE HOME INVESTMENT PARTNERSHIP PROGRAM

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WHEREAS, the California Department of Housing and Community Development (the "Department") is authorized to allocate HOME Investment Partnerships Program ("HOME") funds made available from the U.S. Department of Housing and Urban Development ("HUD"). HOME funds are to be used for the purposes set forth in Title II of the Cranston-Gonzalez National Affordable Housing Act of 1990, in federal implementing regulations set forth in Title 24 of the Code of Federal Regulations, part 92, and in Title 25 of the California Code of Regulations commencing with section 8200; and

WHEREAS, on June 1, 2012, the Department issued a 2012 Notice of Funding Availability ("NOFA") announcing the availability of funds under the HOME program; and

WHEREAS, in response to the 2012 NOFA, the City of Lodi, a municipal corporation, and Eden Housing, Inc., a nonprofit corporation (the "Applicants"), wishes to apply to the Department for, and receive an allocation of, HOME funds.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the City Manager, in response to the 2012 NOFA, to submit an application with Eden Housing, Inc. to the Department to participate in the HOME program and for an allocation of funds not to exceed Two Million, One Hundred Thousand Dollars (\$2,100,000) for the following activities and/or programs: Development of an affordable senior rental housing project in Lodi, California, and any eligible costs related to the administration of the HOME funds and project delivery; and

BE IT FURTHER RESOLVED that, if the application for funding is approved, the Applicants hereby agree to use HOME funds for eligible activities in the manner presented in the application as approved by HCD in accordance with the statutes and regulations stated above. The City Manager is authorized and may also execute a standard agreement, any amendments thereto, and any and all other documents or instruments necessary or required by HCD for participation in the HOME program.

Dated: August 1, 2012

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I hereby certify that Resolution No. 2012-120 was passed and adopted by the Lodi City Council in a regular meeting held August 1, 2012, by the following vote:

AYES: COUNCIL MEMBERS - Hansen, Johnson, Katzakian, Nakanishi, and Mayor Mounce

NOES: COUNCIL MEMBERS - None

ABSENT: COUNCIL MEMBERS - None

ABSTAIN: COUNCIL MEMBERS - None



RANDI JOHL
City Clerk